



## DEPARTMENT OF TRANSPORTATION

### Maritime Administration

#### Tanker Security Program Application Solicitation

**AGENCY:** Maritime Administration, Department of Transportation.

**ACTION:** Notice of application period for the Tanker Security Program (TSP).

**SUMMARY:** The Maritime Administration (MARAD) requests applications from eligible candidates for possible participation in the Tanker Security Program (TSP). This request for applications is issued in accordance with certain provisions of the National Defense Authorization Act for Fiscal Year 2021 (FY21 NDAA) and the National Defense Authorization Act for Fiscal Year 2022 (FY22 NDAA). The FY21 NDAA authorized the Secretary of Transportation to establish a fleet of active, commercially viable, militarily useful, privately owned product tank vessels of the United States. The fleet will meet national defense and other security requirements and maintain a United States presence in international commercial shipping. The FY22 NDAA made minor adjustments related to the participation of long-term charters in the TSP. This request for applications provides, among other things, application criteria and a deadline for submitting applications for the enrollment of vessels in the TSP.

**DATES:** Applications for enrollment must be received no later than *[INSERT DATE 60 DAYS AFTER DATE OF PUBLICATION IN THE FEDERAL REGISTER]*. Applications should be submitted to the address listed in the **ADDRESSES** section below.

**ADDRESSES:** Applications may be submitted electronically to [sealiftsupport@dot.gov](mailto:sealiftsupport@dot.gov) or in hard copy to the Tanker Security Program, Maritime Administration, U.S. Department of Transportation, 1200 New Jersey Avenue, SE, Washington, D.C. 20590. Application forms are available upon request or may be downloaded from MARAD's website.

**FOR FURTHER INFORMATION CONTACT:** David Hatcher, Director, Office of Sealift Support, Maritime Administration, Telephone (202) 366-0688. For legal questions, call Joseph

Click, Office of Chief Counsel, Division of Maritime Programs, Maritime Administration, (202) 366-5882.

**SUPPLEMENTARY INFORMATION:** Section 53402(a) of title 46, United States Code, requires that the Secretary of Transportation (Secretary), in consultation with the Secretary of Defense (SecDef), establish a fleet of active, commercially viable, militarily useful, privately-owned product tank vessels to meet national defense and other security requirements. The TSP will provide a stipend to tanker operators of U.S.-flagged vessels that meet certain qualifications.

Congress appropriated \$60,000,000 for the TSP in the Consolidated Appropriations Act of 2022, Pub. L. 117-269, to remain available until expended. Authorized payments to participating operators are limited to \$6 million per ship, per fiscal year and are subject to annual appropriations. Participating operators will be required to make their commercial transportation resources available upon request of the SecDef during times of war or national emergency.

### **Application Criteria**

Section 53403(b)(2)(A) of Title 46, United States Code directs the Secretary in consultation with the SecDef to consider applicant vessel qualifications as they relate to 46 CFR 294.9 and give priority to applications based on the following criteria:

- (1) Vessel capabilities, as established by SecDef;
- (2) Applicant's record of vessel ownership and operation of tanker vessels; and
- (3) Applicant's citizenship, with preference for Section 50501 Citizens.

### **Vessel Requirements**

Acceptable vessels for a TSP Operating Agreement must meet the requirements of 46 U.S.C. section 53402(b) and 46 CFR 294.9. The Commander, USTRANSCOM, has provided vessel suitability standards for eligible TSP vessels for use during the application selection process. The following suitability standards, consistent with the requirements of 46 U.S.C. section 53402(b)(5), will apply to vessel applications:

- Medium Range (MR) tankers between 30,000-60,000 deadweight tons, with

fuel cargo capacity of 230,000 barrels or greater.

- Deck space and size to accept installation of Consolidation (CONSOL) stations, two on each side for a total of four stations.
- Ability to accommodate up to an additional 12 crew for CONSOL, security, and communication crew augmentation.
- Communication facilities capable of integrating secure communications equipment.
- Does not engage in commerce or acquire any supplies or services if any proclamation, Executive order, or statute administered by Office of Foreign Assets Control (OFAC), or if OFAC's implementing regulations at 31 CFR Chapter V, would prohibit such a transaction by a person subject to the jurisdiction of the United States, except as authorized by the OFAC in the Department of the Treasury.
- Operate in the Indo-Pacific region.
- Maximum draft of no more than 44 feet. Preference will be given to vessels that can transport the most fuel at the shallowest draft.
- Sustained service speed of at least 14 knots, with higher speeds preferred.
- Carry only clean refined products.
- Capable of carrying more than two separated grades of refined petroleum products with double valve protection between tanks. Additionally, the vessel must meet the standards of 46 U.S.C. section 53401(4).

### **National Security Requirements**

The applicants chosen to receive a TSP Operating Agreement will be required to enter into an Emergency Preparedness Agreement (EPA) under 46 U.S.C. 53407, or such other agreement as may be approved by the Secretaries. The current EPA approved by the Secretary

and SecDef is the Voluntary Tanker Agreement (VTA), publicly available for review at 87 FR 67119 (November 7, 2022).

## **Documentation**

A vessel chosen to receive the TSP Operating Agreement, must be documented as a U.S.-flag vessel under 46 U.S.C., chapter 121. An applicant proposing a foreign-flag vessel must demonstrate the vessel owner's intent to have the vessel so documented and must demonstrate that the vessel is so documented by the time the applicant enters into a TSP Operating Agreement for the vessel. Proof of U.S. Coast Guard vessel documentation and all relevant charter and management agreements for a chosen vessel must be approved by MARAD before the vessel will be eligible to receive TSP payments.

## **Vessel Operation**

A vessel selected for award of a TSP Operating Agreement must be operated in foreign commerce, in mixed foreign commerce and domestic trade of the United States permitted under a registry endorsement issued under 46 U.S.C. 12111, or between U.S. ports and those points identified in 46 U.S.C. 55101(b), or in foreign-to-foreign commerce, and must not otherwise operate in the coastwise trade of the United States.

## **Protection of Confidential Commercial or Financial Information**

If the application includes information that the applicant considers to be a trade secret or confidential commercial or financial information, the applicant should do the following: (1) Note on the front cover that the submission "Contains Confidential Commercial or Financial Information (CCFI)"; (2) mark each affected page "CCFI"; and (3) highlight or otherwise denote the CCFI portions. MARAD will protect such information from disclosure to the extent allowed under applicable law. In the event MARAD receives a Freedom of Information Act (FOIA) request for the information, procedures described in the Department's FOIA regulation at 49 CFR 7.29 will be followed. Only information that is ultimately determined to be confidential under that procedure will be exempt from disclosure under FOIA.

## **Award of Operating Agreements**

MARAD does not guarantee the award of TSP Operating Agreements in response to applications submitted under this Notice. In the event that no awards are made, or an application is not selected for an award, the applicant will be provided with a written reason why the application was denied, consistent with the requirements of 46 U.S.C. 53403.

(**Authority:** 46 U.S.C. chapter 534, 49 CFR 1.92 and 1.93, 46 CFR 294.)

By order of the Maritime Administrator.

**T. Mitchell Hudson, Jr.**

*Secretary, Maritime Administration.*

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